

11-7336

2 SEP 1958

Honorable Olin D. Johnston, Chairman
Committee on Post Office and Civil
Service
United States Senate
Washington 25, D.C.

Dear Senator Johnston:

The House Committee on Post Office and Civil Service has recently amended S. 2162, the Federal Employees Health Benefits Act, to include some changes which it feels would be desirable. Certain of these provisions were included at the request of this Agency and others in order to provide for the continuation of major employee health benefit plans already in existence. The Civil Service Commission supported these amendments.

As I believe you know, our Agency faces certain security problems in conforming to general legislation providing for employee benefits. Statutory prohibitions preclude us from adhering to any procedures which require the disclosure of the names, number, or location of our employees. To avoid such disclosures in remitting premiums or settling claims this Agency established a hospitalization insurance program which could be administered within the Agency in conformity with Agency security requirements. This program has operated successfully through an organization of Agency employees since 1948.

It is important to the operation of this Agency that any health insurance legislation which may be enacted permit the Central

Intelligence Agency to arrange with the Civil Service Commission for separate procedures for the administration of the Agency's health insurance program. This problem was discussed with representatives of the Civil Service Commission who felt that S. 2162, as passed by the Senate, would not permit negotiation of this type. The Commission, therefore, included in its suggestions on S. 2162 a revision of Section 1 and a new definition of employee organization in Section 2 of the bill which would accomplish this purpose.

The changes which I have described would permit this Agency to continue to operate a health insurance program for Agency employees within the restrictions imposed by our security requirements and in conformity with the general provisions of the bill. I urge that your Committee in its consideration of the House amendments retain the language which I have referred to above.

Sincerely,

Signed C. P. CABELL

C. P. Cabell
General, USAF
Acting Director

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OGC/LC:GLC:mmw:mks (31 August 1959)

MEMORANDUM FOR: **ACTING DIRECTOR**

Attached for your signature is a letter to the Chairman of the Senate Post Office and Civil Service Committee concerning the Government Employees Health Insurance bill now pending in the Congress. This bill, introduced by Senators Johnston and Neuberger, passed the Senate by an overwhelming vote and has been reported by the House Committee which made extensive changes in it. The House staff people, whom you will recall having come over for lunch this spring, were very helpful to us in getting the changes we required. The purpose of this letter is to alert the Senate Committee to our needs in an attempt to assure the retention of the language inserted by the House Committee.

s/ John S. Warner
JOHN S. WARNER
 Legislative Counsel

— 1 September 1959
 (DATE)

FORM NO. 101 REPLACES FORM 10-101
 1 AUG 54 WHICH MAY BE USED.

(47)

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